

FISCAL NOTE

Bill #: HB0692

Title: Define quality education

Primary Sponsor: Bixby, N

Status: As Introduced

Sponsor signature	Date	David Ewer, Budget Director	Date
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Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	Unknown	Unknown
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	Unknown	Unknown

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Office of Public Instruction (OPI)

1. HB 692 changes the legal financial obligation of the state to school districts, but does not alter the state's school funding formula established in Title 20, Chapter 9. The basic and per-ANB entitlements established in 20-9-306, MCA and the maximum and minimum budget limits established in 20-9-308, MCA still drive the level of state support for schools. Until the legislature ties its funding formula to its definition of "a basic system of free quality public elementary and secondary schools," the state cost to support the basic system will continue to be the funding level established by current law.
2. Section 1 of HB 692 identifies the components of a basic system of free quality public elementary and secondary schools. The basic system includes the accreditation standards; Indian Education for All; implementation of educational programs for students with special needs at-risk students; students with disabilities and gifted students; salaries and benefits to staff; instructional resources and equipment; inservice training and staff development; capital outlay; transportation; and a procedure to assess and track student achievement.
3. With the exception of services to special needs students (other than students with disabilities); services to at-risk students; and health insurance benefits, schools are currently required to provide all of the programs and services listed in #2 by the accreditation standards or state and federal law. The issue is whether schools have adequate resources to meet these requirements.

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(continued)

4. There are four categories of accreditation: Regular, Regular Accreditation with Deviations, Accreditation with Advice, and Accreditation with Deficiencies. In FY2004, only 466 (55%) of Montana's 853 public schools received regular accreditation; 206 (24%) received regular accreditation with deviations; 98 (11%) received accreditation with advice; and 83 (10%) received accreditation with deficiency. The most common reason for not meeting the accreditation standards is the assignment of teachers to teach subjects in which they are not endorsed to teach.
5. HB 692 specifies that the basic system includes the implementation of Indian Education for All, specifically curriculum development and supportive instructional resources; culturally appropriate instruction about American Indians, especially Montana Indians, for all students; and integration of culturally appropriate American Indian lessons into all curricular areas in kindergarten through 12th grade. The evidence collected from schools through OPI's Annual Data Collection indicates that school districts are not currently able to meet the requirements of Indian Education for All as described in HB 692.

LONG-RANGE IMPACTS:

HB 692 defines and increases the requirement of the state to fund schools. Current law does not define what a quality education is, but current level funding does not provide adequate funding for many of the services required by HB 692. The cost of meeting the level of service required by HB 692 is unknown.

TECHNICAL NOTES:

1. Section 1, subsection (3) lists educationally relevant factors on which the basic system of free quality public elementary and secondary schools is established. The list excludes some factors that are part of the current system that should not be overlooked. These include equitable access to revenue by school districts and economies of scale in delivering educational services.